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ABSTRACT

This report contains detailed data on average salaries in the comparison institutions of the University of California and the California State University. It analyzes raw data submitted by comparison institutions for the University and State University and then provides a detailed written analysis of faculty salary parity computations. It is noted that for the 1991-92 academic year, the estimated faculty salary parity amount for the University is a 3.5% increase and for the State University is a 4.1% increase. The report includes analysis of salary increases granted for the past 13 years in California compared to increases in the national and California Consumer Price Indexes. It also presents a discussion of faculty compensation beyond the standard scale for the past 2 years at the University of California and the implications of these high salaries for the University's ability to attract the finest scholars in the nation. It is further noted that comparative analysis shows the University of California has been able to maintain a competitive position over the past 5 years, while the State University has improved its position in each of its faculty ladder ranks. Appendices include Senate Resolution No. 51, 1965, and the methods for calculating salary and fringe benefit comparisons. Contains six references. (GLR)

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FACULTY SALARIES IN CALIFORNIA'S PUBLIC UNIVERSITIES, 1991-92

Nine-Month Faculty by Rank	Step 1			
)fessor	$50,532	$52,932	$55,488	
;sociate Professor	39,984	41,904	43,896	45,9
ssistant Professor	31,764	33,240	34,824	36,4
nstructor	29,064	30,348	31,764	33,

Eleven-Month Faculty by Rank	Step 1	Step 2	Step 3	St
Professor	$58,176	$60,960	$63,948	$6
Associate Professor	45,996	48,192	50,532	5
fessor	36,468	38,208	39,984	
			36,468	

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

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Summary

Annually, in accordance with Senate Concurrent Resolution No. 51 of the 1965 General Legislative Session, the Commission submits to the Governor and the Legislature an analysis of faculty salaries in the University of California and the California State University for the forthcoming fiscal year.

In this report for the 1991-92 fiscal year, the Commission analyzes the data submitted to the University and State University by their respective groups of comparison institutions and shows how those data are formulated into "parity percentages" -- that is, the amount of increase in salary necessary for each segment to maintain a competitive position in relation to the average of its respective comparison group of institutions.

This year, the estimated faculty salary parity amount for the University is a 3.5 percent increase and for the State University is a 4.1 percent increase.

In this year's report, the Commission includes an analysis on pages 4-5 of salary increases granted for the past 13 years in California compared to increases in the national and California Consumer Price Indices. It also presents a discussion on pages 9-14 of faculty compensation beyond the standard scale for the past two years at the University of California and the implications of these high salaries for the University's ability to attract the finest scholars in the nation.

The Commission adopted this report at its meeting on April 28, 1991, on recommendation of its Policy Development Committee. Additional copies of the report may be obtained from the Publications Office of the Commission at (916) 324-4991. Questions about the substance of the report may be directed to Murray J. Haberman of the Commission staff at (916) 322-8001.

FACULTY SALARIES IN CALIFORNIA'S PUBLIC UNIVERSITIES, 1991-92

A Report to the Legislature and Governor in Response to Senate Concurrent Resolution No. 51 (1965)

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION
Third Floor • 1020 Twelfth Street • Sacramento, California 95814-3985

COMMISSION REPORT 91-10
PUBLISHED APRIL 1991

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1 *Summary and Conclusions*

THIS 1991-92 faculty salary report contains detailed data on average salaries in the comparison institutions of the University of California and the California State University. It analyzes raw data submitted by comparison institutions for the University and State University and then provides a detailed written analysis of faculty salary parity computations.

Competitive position of the University and State University

Comparisons of the University of California and the California State University with their respective comparison groups reveal that the University has been able to maintain a competitive position over the past five years when compared to its list of eight comparison institutions, while the State University has improved its position in each of its faculty ladder ranks in relation to its 20 comparison institutions.

Parity for the University of California

The University of California obtained actual 1990-91 data from all of its eight comparison institutions. Based on these data, the Commission estimates that for 1991-92, University faculty members will require an average salary increase of 3.47 percent to bring them to the mean of their comparison group.

Parity for the California State University

The California State University collected actual data from 16 of its 20 comparison institutions, with the remaining four being unable to offer current data for various reasons. As specified in the salary methodology agreed to by State officials, the Commission made salary estimates for those four institutions. In addition, the Commission excluded comparison institution salary data for law faculty in this year's calculation and replaced three previous comparison institutions with three new institutions to adjust for any compensation loss attributed to the exclusion of these law faculty. The Commission estimates that a salary increase of 4.07 percent is necessary to keep State University faculty at the mean of its 20 comparison institutions. The State University's Trustees, following a practice instituted since the implementation of collective bargaining, has in essence agreed to the 4.07 percent figure, to be effective in the 1991-92 fiscal year, provided it is negotiated as part of upcoming collective bargaining discussions.

University salaries above standard

This report includes a discussion on pages 9-14 regarding the University's nine-month faculty who earned in excess of $100,000 effective January 1, 1990, and those faculty earning a comparable amount during the current fiscal year. With respect to this topic, the report raises some implications of these salaries for the University in its attempt to attract the finest research scholars.

2 *Origins and Methods of Analysis*

ANNUALLY, in accordance with Senate Concurrent Resolution No. 51 of the 1965 General Legislative Session (reproduced in Appendix A on pages 21-22), the University of California and the California State University submit to the Commission data on faculty salaries for their respective institutions and for a group of comparison colleges and universities. On the basis of these data, Commission staff develops estimates of the percentage changes in salaries required to attain parity with the comparison groups in the forthcoming fiscal year. The methodology requires that parity figures for both segments be submitted to the Department of Finance and the Office of the Legislative Analyst by December 5 of each year.

The methodology by which the segments collect these data and the Commission staff analyzes them (Appendix B, pp. 23-30) has been designed by the Commission in consultation with the University of California, the California State University, the Department of Finance, and the Office of the Legislative Analyst, and was originally published in the Commission's *Methods for Calculating Salary and Fringe Benefit Cost Comparisons* (March 1985). It has since been revised four times to reflect changes in the methodology used for calculating the parity figure and to reflect changes in the University of California's and California State University's group of comparison institutions (June 1987, January 1988, and June 1989).

An additional report, requested in previous years by the Office of the Legislative Analyst and subsequently incorporated into Supplemental Language to the Budget Act, discusses faculty salaries in the California Community Colleges, administrators' salaries in the four-year segments, and medical faculty compensation (salaries plus clinical fees) in the University of California. The first two of these three documents are annual reports; the third is presented only in odd-numbered years. In the current cycle, all three of these reports -- community college faculty salaries, administrators' salaries at the University and State University, and University medical faculty salaries -- will be discussed by the Commission at its meeting on June 8-9, 1991.

History of the faculty salary reports

The impetus for the faculty salary report came from the Master Plan Survey Team in 1960, which recommended that:

> 3. Greatly increased salaries and expanded fringe benefits, such as health and group life insurance, leaves, and travel funds to attend professional meetings, housing, parking and moving expenses, be provided for faculty members in order to make college and university teaching attractive as compared with business and industry.
>
> 8. Because of the continual change in faculty demand and supply, the coordinating agency annually collect pertinent data from all segments of higher education in the state and thereby make possible the testing of the assumptions underlying this report (Master Plan Survey Team, 1960, p. 12).

For four years thereafter, the Legislature continually sought information regarding faculty compensation, information which came primarily from the Legislative Analyst in the *Analysis of the Budget Bill* and from the Coordinating Council for Higher Education in its annual reports to the Governor and the Legislature on the level of support for public higher education. While undoubtedly helpful to the process of determining faculty compensation levels, these reports were considered to be insufficient, especially by the Assembly, which consequently requested the Legislative Analyst to prepare a specific report on the subject (House Resolution No. 250, 1964 First Extraordinary Session; reproduced in Appendix C, pp. 31-32).

Early in the 1965 General Session, the Legislative Analyst presented his report (Appendix D, pp. 33-

42) and recommended that the process of developing data for use by the Legislature and the Governor in determining faculty compensation be formalized. This recommendation was embodied in Senate Concurrent Resolution No. 51 (1965), which specifically directed the Coordinating Council -- the predecessor to the Postsecondary Education Commission -- to prepare annual reports in cooperation with the University of California and the California State Colleges.

Since that time, the Coordinating Council and, more recently, the Commission have submitted reports to the Governor and the Legislature. Prior to the 1973-74 budgetary cycle, the Coordinating Council submitted only one report annually, usually in March or April. Between 1974-75 and 1985-86, the Commission compiled two reports -- a preliminary report transmitted in December, and a final report in April or May. The first was intended principally to assist the Department of Finance in developing cost-of-living adjustments presented in the Governor's Budget, while the second was used by the Legislative Analyst and the legislative fiscal committees during budget hearings. Each of them compared faculty salaries and the cost of fringe benefits in California's public four-year segments with those of other institutions (both within and outside of California) for the purpose of maintaining a competitive position.

Changes in content and methodology

Over a period of several years, the Commission's salary reports became more comprehensive. Originally they provided only comparison institution data, and occasionally they were expanded to include summaries of economic conditions; comparisons with other professional workers; discussions of supplemental income and business and industrial competition for talent; analyses of collective bargaining; and community college faculty salaries, medical faculty salaries, and administrators' salaries. The last three of these additions to the annual reports were all requested by the Office of the Legislative Analyst: community college and medical faculty salaries in 1979, and administrators' salaries at the University of California and California State University in 1982.

In 1984, the Commission convened an advisory committee consisting of representatives from the segments, the Department of Finance, the Office of the Legislative Analyst, and other interested parties to review the methodology under which the salary reports are prepared each year. That committee's deliberations led to a number of substantive revisions that were approved by the Commission in March 1985 in the previously mentioned *Methods for Calculating Salary and Fringe Benefit Cost Comparisons*. Among the more significant of those changes were those to create a new list of comparison institutions for the State University, produce only a single report rather than a preliminary and a final report, and provide University of California medical faculty salary information biennially rather than annually.

In the late 1970s and early 1980s, the Commission's faculty salary reports included comprehensive surveys of economic conditions and salaries paid in other occupational fields. Such data were needed at that time since evidence had shown that faculty salaries at most institutions of higher education across the country were not keeping pace with changes in the cost of living or with salary increases granted to other professional workers. Since faculty salaries in California are based primarily on interinstitutional comparisons, those at the University of California and the California State University were undergoing an economic erosion comparable to that experienced by public universities nationally. That erosion made it increasingly difficult to recruit the most talented teachers and researchers, especially in competition with the substantially higher salaries generally available in business and industry.

Consequently, in order to provide the Governor and the Legislature with as much information as possible on a complex situation, the Commission expanded considerably the scope of those salary analyses.

In the past eight years -- 1984-85 to 1991-92 -- the salary deficiencies experienced by faculty in the two public four-year segments clearly appear to have been corrected, as have those of most other institutions of higher education across the country. Display 1 on the opposite page shows the parity figures the Commission derived for the University and State University throughout the 1980s, and compares those figures with the amounts actually approved by the Governor and Legislature, along with percentage increases in both the national and Cali-

DISPLAY 1 Comparisons of Faculty Salary Parity Adjustment Calculations by the Commission with Actual Percentage Increases Provided in State Budgets and United States and California Fiscal Year Consumer Price Indices 1979-80 Through 1991-92

Year	University of California		The California State University		United States	California
	Commission	Budget	Commission	Budget	Consumer Price Index (Fiscal Year)	Consumer Price Index (Fiscal Year)
1979-80	12.6%	14.5%	10.1%	14.5%	14.4%	14.9%
1980-81	5.0	9.8	0.8	9.8	9.9	11.6
1981-82	5.8	6.0	0.5	6.0	6.9	10.8
1982-83	9.8	0.0	2.3	0.0	3.2	2.2
1983-84	18.5	7.0	9.2	6.0	4.4	3.7
1984-85	10.6	9.0	7.6	10.0	3.7	5.3
1985-86	6.5	9.5	N.A	10.5	1.7	3.6
1986-87	1.4	5.0	6.9	6.8	3.8	3.3
1987-88	2.0	5.6	6.9	6.9	3.9	4.4
1988-89	3.0	3.0	4.7	4.7	5.2	4.8
1989-90	4.7	4.7	4.8	4.8	5.0	4.9
1990-91	4.8	4.8	4.9	4.9	5.2 (estimated)	5.6 (estimated)
1991-92	3.5	0.0	4.1	0.0	6.1 (projected)	5.6 (projected)

N.A.: No parity adjustment was computed for the State University for the 1985-86 year.

Note: Some of the percentage increases provided in the Budget were for a period of time less than a full year. There have been changes in both the University and State University comparison groups over this time and there was a change in the State University's computation methodology in 1985.

Source: Consumer Price Index: Commission on State Finance. Remainder: California Postsecondary Education Commission.

fornia Consumer Price Indices. The display shows that in 1982-83 and 1983-84, both the University and State University significantly lagged their comparison institutions. Although other institutions throughout the country experienced similar salary erosion, University and State University faculty salaries declined even further in relation to their comparison groups.

In the past seven years, strong performances in the State's and national economies have generated State revenues sufficient to restore faculty salaries to levels where the segments are now better able to compete with private business and industry. Clearly, the State of California has shown a commitment to maintain the excellence of both the University of California and the California State University by regularly improving the resources available to these segments. As a result, there is less need for the extensive economic conditions and occupational salary data that the Commission published in prior years.

However, because of severe State revenue shortfalls, this year's Governor's Budget provides no cost-of-living increases for faculty salaries at either the University of California or the California State University. Thus, if the State's current fiscal crisis continues through the next year, it may again be necessary for the Commission to present an extensive analysis of economic conditions, as well as a comprehensive review of occupational salary information, in that the salaries paid to University and State University faculty may again significantly lag behind those paid to their comparison institution counterparts.

Six years ago, due primarily to issues of confidentiality and technical difficulties in collecting data in a timely fashion, the advisory committee met again to consider changes in the methodology. The committee suggested several revisions to the methodology at that meeting to address those issues. The Commission acted on those recommendations when it adopted its report, *Faculty Salary Revisions: A Revision of the Commission's 1985 Methodology for Preparing Its Annual Reports on Faculty and Administrative Salaries and Fringe Benefits*, at its June 1987 meeting.

At that time, the University of California agreed to continue to use the eight comparison institutions it had used for the past 16 years. After further analyzing salary trends at these eight institutions later in the summer, however, the University determined that the economic situation, especially in the midwest, had adversely affected at least one of its comparison institutions -- the University of Wisconsin, Madison -- causing only marginal increases in its faculty salaries in contrast to increases elsewhere. Furthermore, the University sought to build into its list of comparison institutions a "competitive edge" -- a percentage amount added to the computed parity figure. Thus "in the best interest of the University and the State," it formally requested the Commission to approve substitution of the University of Virginia for the University of Wisconsin and the Massachusetts Institute of Technology for Cornell University. As part of this proposal, it agreed to abandon requests for the 1988-89 and subsequent fiscal years for "competitive edge" funds, noting that the traditional methodology of projected lag to parity would be sufficient, given the new comparison group. The Commission approved this change in the University's comparison institutions at its February 1988 meeting.

Two years ago, the Commission again considered changes in its methodology when it responded to Supplemental Budget Language to the 1988-89 Budget Act that directed it to convene its salary methodology advisory committee in order to evaluate whether the estimated average salaries at the State University's comparison institutions should be adjusted for the full effect, rather than the existing partial effect, of law school faculty among its comparison institution group. The Commission was also directed to determine the appropriateness of retaining any effect of law school faculty employed by comparison institutions when computing a final State University faculty salary parity figure, and to provide a justification for it.

In June 1989, the Commission adopted the recommendation of its advisory committee that for purposes of reporting comparable "academic" salary information for both the State University and its comparison institutions, all law faculty should be removed from the methodology used for computing the State University's parity figure during the 1991-92 budget cycle -- the year in which the current collective bargaining agreement between the faculty and the administration expires. This year's report thus reflects the exclusion of comparison-institution law faculty.

However, in removing comparison institution law faculty, it was clear that the State University's competitiveness in the marketplace would be undermined in that its instructional budget would be reduced by approximately $7.5 million because of a reduction in the calculation of its parity figure. Recognizing the dangers implicit in this reduction -- especially its impact on the recruitment and retention of faculty -- the Commission considered a modest change in the State University's group of comparison institutions in order to recover approximately one-half of the estimated revenue loss attributed to the removal of comparison institution law faculty. In September 1989, the Commission called for deleting three existing comparison institutions -- Virginia Polytechnic Institute, the University of Bridgeport, and Mankato State University -- and replacing them with three new institutions -- the University of Connecticut, George Mason University, and Illinois State University. This year's report also reflects this change in comparison institutions.

Contents of this year's report

For the 1991-92 cycle, this report contains data on faculty salaries at the University of California and the California State University.

This year's report contains a special section showing the number of University of California faculty who earn in excess of $100,000 in years 1990 and 1991, with accompanying information on age, sex,

ethnicity, and discipline. Discussed in this section are some implications of the University's hiring of these high paid faculty, and how State resources may be insufficient for the University to attract the finest research scholars while maintaining its pool of instructional faculty.

This summer, the Commission will issue a supplemental report on community college faculty salaries, public four-year segment administrators' salaries, and University of California medical faculty salaries.

3 *Projected Salaries Required for Parity at California's Public Universities*

THIS year's salary analysis presents a comprehensive examination of faculty salary comparison institution data. Using computerized spreadsheets, Commission staff analyzes raw data that have been provided by the University's eight and State University's 20 comparison institutions.

University of California

On November 15, 1990, the Regents of the University of California requested the Governor and the Legislature to approve funding sufficient to grant University faculty an average salary increase of 3.5 percent. This amount was to maintain parity with the University's eight comparison institutions. This percentage increase was based on final data for all eight comparison institutions.

Projected salaries

Display 2 on page 10 shows the average salaries by rank at the comparison institutions in 1985-86 and 1990-91, as well as the University's position in each of these two years. It indicates that, over the past five years, at the rank of professor, the University position has declined to fifth from fourth while slipping from second to fourth at the assistant professor level. At the associate professor level, the University improved its relative ranking from fourth to third. Decreases in relative rank of University ladder rank faculty may be misleading, however, in that in 1985-86 the University received special "margin-of-excellence" funds that added 3 percent to that year's parity figure, thus improving the University's overall position in relation to its comparison group of institutions in that year.

Of most interest is the fact that compensation provided to entry-level assistant professors continues to exceed the average compensation of its comparison group, and since many of the University's new faculty members will be hired at this level, it is important that it maintain that competitive position for the hiring of new young faculty.

It also should be noted that because the University's faculty received their final salary adjustment on January 1, 1991, the computed average annual by rank salaries shown in Display 3 for academic year 1990-91 are greater than the salaries actually earned by the faculty for this entire academic year. In reality, the salaries for the 1990-91 academic year are professors, $74,361; associate professors, $50,217; and assistant professors, $42,952.

Conversion factors

Display 3 on page 11 shows the parity calculations for the 1991-92 fiscal year, and it indicates that the University will require an increase of 3.47 percent to maintain parity at the mean of its comparison group. An important element in deriving institutional average salaries is the factor used to convert eleven-month salaries to nine-month salaries. In most cases, this conversion is derived by dividing nine by eleven to produce a factor of 0.8182.

Historically, however, the University has used a conversion factor of 0.86 to adjust its eleven-month salaries to nine-month salaries. To assure consistency, the Commission applies the 0.86 factor to each of the University's comparison institutions.

Display 4 on page 12 shows the University's 1990-91 salary schedule, with the actual conversions.

University faculty paid above scale

Display 5 on page 13 shows data for University of California nine-month professors who are paid in excess of $100,000, excluding medical and law professors, for the past two years. These faculty members are often Nobel Laureates, Field Medal Scholars, Pulitzer Prize winners, National Academy of

DISPLAY 2 University of California Comparison Institution Average Salaries, 1985-86 and 1990-91

Comparison Institution	Professor	Associate Professor	Assistant Professor
1985-86			
Institution H	$64,452 (1)	$36,065 (8)	$30,575 (7)
Institution A	62,648 (2)	42,900 (1)	34,828 (1)
Institution D	59,868 (3)	36,450 (7)	28,603 (9)
University of California	**58,576 (4)**	**38,871 (5)**	**34,188 (2)**
Institution F	58,400 (5)	41,400 (2)	33,100 (3)
Institution C	56,062 (6)	39,761 (3)	30,968 (5)
Institution B	53,800 (7)	36,700 (6)	28,900 (8)
Institution G	50,666 (8)	35,279 (9)	30,814 (6)
Institution E	49,594 (9)	39,665 (4)	31,769 (4)
Comparison Institution Average	$56,936	$38,278	$31,195
1990-91			
Institution H	$85,556 (1)	$48,225 (7)	$46,316 (2)
Institution A	82,658 (2)	58,575 (1)	46,310 (3)
Institution F	80,360 (3)	56,729 (2)	46,788 (1)
Institution D	79,014 (4)	48,705 (6)	39,116 (8)
University of California	**76,438 (5)**	**52,128 (3)**	**43,887 (4)**
Institution C	70,401 (6)	50,365 (5)	39,893 (6)
Institution B	69,431 (7)	47,951 (8)	38,728 (9)
Institution E	68,921 (8)	51,584 (4)	43,679 (5)
Institution G	62,987 (9)	45,015 (9)	39,778 (7)
Comparison Institution Average	$74,916	$50,894	$42,576

Note: The data in the 1990-91 table for the University of California reflect salary increases awarded on January 1, 1991. Actual salaries earned by University faculty for the 1990-91 fiscal year are thus slightly lower than listed here, and these differences could affect the University's ranking. The rankings for several comparison institutions may also be affected by salary increases given at times other than the first day of the fiscal year.

Source: Office of the President, University of California.

DISPLAY 3 *University of California Comparison Group Average Salaries, 1985-86 and 1990-91, Compound Rates of Increase, Projected Comparison Group Average Salaries, 1991-92, Projected Parity Comparisons, and Projected 1991-92 Staffing Patterns*

Academic Rank	Comparison Group Average Salaries 1985-86	Comparison Group Average Salaries 1990-91	Compound Rate of Increase	Comparison Group Projected Salaries 1991-92
Professor	$ 56,936	$ 74,916	5.642 %	$ 79,143
Associate Professor	38,278	50,894	5.863	53,877
Assistant Professor	31,195	42,576	6.418	45,309

Academic Rank	University of California Actual Average Salaries 1990-91	Comparison Group Average Salaries		Percentage Increase Required in University of California Average Salaries to Equal the Comparison Institution Average	
		Actual 1990-91	Projected 1991-92	Actual 1990-91	Projected 1991-92
Professor	$ 76,438	$ 74,916	$ 79,143	-1.99%	3.54%
Associate Professor	52,128	50,894	53,877	-2.37	3.36
Assistant Professor	43,887	42,576	45,309	-2.99	3.24
All Ranks Averages (UC Staffing)	$ 65,519	$ 64,092	$ 67,794	-2.18%	3.47%

Institutional Budget Year Staffing Pattern (Full Time Equivalent)	Professor	Associate Professor	Assistant Professor	Total
University of California	3,548	1,087	1,118	5,753
Comparison Institutions	4,356.55	1,930.92	1,924.57	8,212.04

Source: University of California, Office of the President, reproduced in Appendix E.

Science scholars, or other premier researchers and teachers in their field.

Last year, 146 faculty appeared in this category. Of these, 35 were in the humanities or social sciences, 57 were in the physical or life sciences, 43 were in engineering, and 11 were in the discipline of management. In addition, the salaries of 20 eleven-month professors exceeded $100,000, but their nine-month equivalent was under that amount.

In addition, the highest 1990 median salary -- $106,300 -- was paid in engineering, while the highest overall salary -- $122,100 -- was paid in the physical sciences. Only two women and three non-white minority faculty earned in excess of $100,000 in 1990.

This year, 306 faculty (more than twice the number from last year) appear in the over $100,000 category. Of these, 78 are in the humanities or social sciences, 93 are in the physical or life sciences, 115 are in engineering, and 20 are in the discipline of management. In addition, the salaries of 22 eleven-

DISPLAY 4 *University of California 1990-91 Salary Schedule for Nine-Month and Eleven-Month Faculty, with Percentage Differences, Effective January 1, 1991**

Nine-Month Faculty by Rank	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
Professor	$51,400	$55,400	$60,700	$66,400	$72,200	$78,300	$84,600	$91,300
Associate Professor	43,100	45,700	48,300	51,300	55,300	N/A	N/A	N/A
Assistant Professor	35,900	37,400	38,800	40,500	43,500	45,600	N/A	N/A

Eleven-Month Faculty by Rank	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
Professor	$59,600	$64,300	$70,400	$77,000	$83,800	$90,800	$98,100	$106,000
Associate Professor	50,000	53,000	55,900	59,500	64,200	N/A	N/A	N/A
Assistant Professor	41,600	43,300	45,100	47,000	49,900	52,900	N/A	N/A

Percentage Difference by Rank	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Overall Average
Professor	86.24%	86.16%	86.22%	86.23%	86.16%	86.23%	86.24%	86.13%	
Associate Professor	86.20	86.22	86.40	86.22	86.14	N/A	N/A	N/A	
Assistant Professor	86.30	86.37	86.03	86.17	87.17	86.20	N/A	N/A	
Average	86.25%	86.25%	86.22%	86.21%	86.49%	86.22%	86.24%	86.13%	86.25%

*Add 10 percent to each step for business/management and engineering faculty.

Source: University of California, Office of the President.

month professors exceeded $100,000, but their nine-month equivalent was under that amount.

The highest 1991 median salary -- $108,800 -- is paid in management, compared to engineering a year ago. Similarly, the highest overall salary -- $129,000 -- is also paid in management, compared to the physical sciences a year ago. This year only one woman earned in excess of $100,000, while 29 non-whites earned this amount.

Perhaps one of the most interesting facts shown in these two displays is the average age of these faculty, which currently ranges from 56 in management to 62 in the social sciences, suggesting that these scholars have been employed by the University or other academic institutions for many years. Considering that the average age of these high-paid scholars continues to increase in most of those disciplines depicted, it is fair to suggest that many of

DISPLAY 5 *University of California 1990-91 Nine-Month Faculty Salaries Above $100,000, Effective January 1, 1990 and 1991*

Year	Discipline	Number	Salaries		Characteristics		
			High	Median	Women	Non-White	Average Age
1990	Humanities	17	$115,700	$103,800	1	1	59
	Life Sciences	10	108,100	104,500	0	0	61
	Physical Sciences	47	122,100	104,300	1	1	58
	Social Sciences	18	113,200	103,800	0	1	62
	Management[1]	11	120,600	105,200	0	0	54
	Engineering[1]	43	116,700	106,300	0	0	59
1991	Humanities	45	$124,800	$106,000	1	0	60
	Life Sciences	14	119,600	102,700	0	0	61
	Physical Sciences	79	127,000	105,400	0	3	59
	Social Sciences	33	117,700	103,800	0	0	62
	Management[1]	20	129,000	108,800	0	0	56
	Engineering[1]	115	122,800	100,700	0	26	59

Note: Eleven-month salaries have been converted to nine-month equivalent salaries as is the practice in the University's annual report. In addition to these faculty, 20 more in 1990 and 22 in 1991 had eleven-month salaries exceeding $100,000, but whose nine-month equivalent was under $100,000.

1. Special scale.

Source: University of California, Office of the President.

these scholars will be retiring during the next five to ten years.

Because of these retirements and because the University continues to seek the finest researchers from throughout the country, the University has had to expend significant resources in recent years in order to attract these types of scholars to its campuses. Clearly, not all new hires are or should be made at the highest levels. But as the premier research system in the world, the University has had to hire many high-level faculty from both the private sector or other prestigious institutions to replenish similar faculty who retired or moved to other institutions, at salaries well above the average paid to full professors in general.

When hired, these faculty are compensated at levels far above the regular salary compensation provided by the State for "vacant" faculty positions. (Currently, for vacant positions, the State provides $38,800 -- Assistant Professor, Step 3.) Engineering and business/management faculty start at 10 percent more than this average. Although most of these scholars are not paid in excess of $100,000, many are paid at salaries equal to if not greater than those they earned at either the campus or private research facility from which they came -- an

amount far in excess of the amount provided by the State.

The implications for the University's policy of hiring the best and brightest are apparent. The University must find from within existing resources the difference between the $38,800 provided by the State and the compensation actually paid to the faculty member. In doing so, the University often uses resources allocated to other existing faculty vacancies in order to fund a single high paid faculty position. When this occurs, those "other vacancies" remain unfilled, and instructional activities in the department from which those resources are taken may be undermined.

Throughout the next decade, many of the University's high paid scholars will be retiring and enrollment growth will be significant. During this time, the University anticipates a need for about 10,000 new faculty. The situation of reallocating resources among departments will become severe if the University is to continue to attract premier scholars and the State funds vacancies at only entry-level salaries. As part of its long-range planning for faculty, the Commission will continue to explore the need of adequate faculty salary resources to maintain the continuing competitiveness of both the University's instructional and research faculty.

The California State University

Shifts in rank

Over the past seven years, and principally because of salary increases granted in the past four years, the State University has improved its competitive position nationally. Displays 6 and 7 on pages 15 and 16 show average salaries at its comparison institutions in 1985-86 and 1990-91, as well as the State University faculty's relative position on each list. These displays indicate that while the State University's ladder faculty ranked tenth at the professor level, seventh at the associate professor level, seventh at the assistant professor level, and third at the instructor level in 1985-86, it improved its position to between ninth and third in 1990-91. Because of the large number of State University faculty at the full-professor level, the all ranks weighted average actually placed the faculty in fifth position in both 1990-91. If something near this ranking continues, it will place the State University in a very competitive position in the years ahead, when many new faculty are expected to be hired.

The relatively strong upward movement in the State University's ranking among its comparison institutions may have been influenced by the fact that its group of comparison institutions was changed this year. The three new institutions in this revised group have a higher salary base and may have experienced greater salary increases than the three institutions that appeared on the former list.

Estimating for non-reporting institutions

In its 1986-87 report, the Commission noted that the State University encountered considerable difficulty in its attempts to obtain reliable data from all its comparison institutions. Several institutions declined to participate with the annual survey, while others were not prepared to supply the data in a timely fashion. After the advisory committee was reconvened in 1986 to discuss this problem, it unanimously approved replacements for those institutions that would not provide data.

Following that meeting, State University officials worked to develop relationships with personnel at the comparison institutions, but it soon became evident that complete current-year data could not be obtained from all of them in November of each year, nor from any other list of institutions that could conceivably be established, because many universities do not make computer runs of their faculty payrolls until after the November deadline required by the current methodology. Because the Department of Finance requests this information by December 5 of each year for consideration in the Governor's Budget, estimates continue to be necessary for those institutions not supplying current-year information.

In its attempts to make the estimates as accurate as possible, the Chancellor's Office of the State University analyzed the differences between the cost-of-living adjustments projected to be given to faculty, and those actually distributed to them. This analysis showed that the actual changes in any institution's average salaries increased by only about 95 percent of the projected percentage increase -- a difference caused by changes in staffing patterns at

DISPLAY 6 California State University Comparison Institution Salary Data, by Rank, 1985-86

Institution	Professor		Associate Professor		Assistant Professor		Instructor		Total Faculty	
	No.	Average Salary	No.	Average Salary	No.	Average Salary	No.	Average Salary	No.	Weighted Average Salary
Institution N	217	$55,181 (1)	239	$40,196 (1)	140	$30,184 (6)	0	0	596	$43,300(1)
Institution J	105	52,121 (2)	133	39,024 (2)	100	31,174 (2)	11	24,891 (7)	349	40,270 (4)
Institution Q	390	51,891 (3)	386	37,589 (3)	332	30,913 (3)	35	29,031 (1)	1,143	40,268 (5)
Institution K	330	50,029 (4)	294	36,422(5)	232	31,698(1)	11	25,520(5)	867	40,199(6)
Institution B	508	49,6[illegible](5)	336	37,000(4)	210	30,700(4)	14	28,000(2)	1,068	41,637(2)
Institution P	84	49,083 (6)	122	35,287(8)	89	27,830(12)	1	22,000(13)	296	36,915(8)
Institution I	67	47,515 (7)	114	34,281(13)	85	28,082(9)	42	19,945(17)	308	3 3,494(17)
Institution F	261	47,109 (8)	249	34,519(11)	159	27,485(15)	38	21,183(16)	707	36,868(9)
Institution A	468	47,000 (9)	430	36,400(6)	287	30,500(5)	37	22,800(12)	1,222	38,662(7)
The California State University	**7,378**	**45,820 (10)**	**2,660**	**35,383 (7)**	**1,493**	**28,358 (7)**	**175**	**24,955 (6)**	**11,706**	**40,935 (3)**
Institution D	118	45,163 (11)	216	34,493(12)	94	28,061(10)	32	22,818(11)	460	35,104(12)
Institution C	82	44,966 (12)	56	34,607(10)	73	26,603(19)	5	26,110(4)	216	35,638(11)
Institution S	273	44,150 (13)	298	33,647(14)	150	28,197(8)	13	21,537(14)	734	36,225(10)
Institution G	146	43,800 (14)	219	34,700(9)	172	27,700(13)	22	27,200(3)	559	34,628(14)
Institution T	246	43,130 (15)	290	31,874(18)	179	27,658(14)	9	23,161(10)	724	34,548(15)
Institution O	160	42,181 (16)	240	32,088(17)	148	27,286(16)	3	21,233(15)	551	33,670(16)
Institution R	99	41,900 (17)	185	33,100(15)	167	27,900(11)	12	23,700(8)	463	32,862(19)
Institution M	114	41,563 (18)	117	33,048(16)	75	27,066(18)	1	23,188(9)	307	34,716(13)
Institution E	82	39,313 (19)	97	31,120(19)	86	27,266(17)	24	19,567(18)	289	31,338(21)
Institution L	47	38,501 (20)	22	29,171(21)	22	24,527(21)	0	0	91	32,867(18)
Institution H	261	37,800 (21)	203	30,900(20)	229	25,800(20)	0	0	698	31,813(20)
Comparison Institution Totals	4,058	$46,722	4,246	$35,042	3,029	$28,867	310	$23,417	11,643	$37,197

Source: The California State University, Office of the Chancellor.

DISPLAY 7 California State University Comparison Institution Salary Data, by Rank, 1990-91

Institution	Professor		Associate Professor		Assistant Professor		Instructor		Total Faculty	
	No.	Average *Salary*	*No.*	Average *Salary*	*No.*	Average *Salary*	*No.*	Average *Salary*	*No.*	Weighted Average *Salary*
Institution Q	428	$72,708 (1)	395	$51,510 (4)	232	$43,134 (2)	0	0	1,054	$58,274 (1)
Institution R	165	72,415 (2)	257	49,228 (5)	167	40,778 (4)	36	32,367 (4)	625	52,120 (7)
Institution J	105	72,269 (3)	130	54,577 (1)	80	46,302 (1)	13	32,146 (5)	328	57,333 (3)
Institution N	244	71,363 (4)	236	51,832 (3)	145	39,145 (7)	0	0	625	56,514 (4)
Institution B	490	67,979 (5)	309	52,012 (2)	222	43,035 (3)	10	38,525 (1)	1,031	57,537 (2)
Institution P	102	65,821 (6)	113	47,729 (7)	68	39,851 (6)	3	30,500 (7)	286	52,128 (6)
Institution I	81	64,818 (7)	122	45,348 (9)	105	39,111 (8)	35	28,211 (13)	343	46,288 (12)
Institution K	427	64,330 (8)	336	46,249 (8)	220	38,438 (11)	11	30,211 (8)	994	52,110 (8)
The California State University	**7,463**	**60,752 (9)**	**2,374**	**48,611 (6)**	**2,110**	**39,853 (5)**	**208**	**32,362 (3)**	**12,173**	**54,281 (5)**
Institution G	143	60,300 (10)	219	45,300 (10)	173	37,100 (15)	21	35,200 (2)	556	46,225 (13)
Institution C	86	60,155 (11)	67	43,961 (13)	81	37,855 (12)	0	0	234	47,799 (9)
Institution F	244	59,159 (12)	254	42,953 (16)	204	36,709 (17)	28	25,754 (15)	730	45,965 (15)
Institution D	144	57,420 (13)	215	44,046 (11)	116	36,738 (16)	25	28,311 (12)	500	45,416 (16)
Institution A	486	57,207 (14)	440	43,709 (14)	344	36,386 (18)	20	27,668 (14)	1,290	46,378 (11)
Institution M	133	56,903 (15)	124	43,986 (12)	103	37,184 (14)	2	32,019 (6)	362	46,730 (10)
Institution T	260	55,892 (16)	297	42,709 (18)	215	38,911 (9)	4	29,109 (10)	776	46,004 (14)
Institution E	98	54,879 (17)	104	42,900 (17)	103	38,702 (10)	24	28,329 (11)	329	44,091 (18)
Institution O	166	54,410 (18)	233	41,415 (19)	140	35,360 (19)	0	0	539	43,844 (19)
Institution L	44	54,170 (19)	24	40,565 (20)	43	33,279 (20)	1	30,160 (9)	112	43,020 (20)
Institution S	254	53,555 (20)	259	43,010 (15)	215	37,684 (13)	5	22,370 (16)	733	44,961 (17)
Institution H	287	50,740 (21)	189	39,440 (21)	264	33,175 (21)	0	0	740	41,587 (21)
Comparison Institution Totals	4,387	$62,041	4,322	$46,004	3,240	$38,333	238	$29,846	12,187	$49,422

Source: The California State University, Office of the Chancellor.

the institutions involved. Accordingly, the State University suggested that, when current-year data cannot be obtained, but the projected cost-of-living adjustment is known, that that percentage be multiplied by 0.95.

Adjustments

Consistent with its methodology, reductions of 0.2 percent for turnover and promotions, and 0.54 percent to reflect an additional appropriation for merit salary adjustments, are included in the calculation. The first is unchanged from last year's cycle, while the second is reduced to 0.54 percent from last year's estimate of 0.59 percent. With these two adjustments, the projected 1991-92 State University parity calculation equals 4.07 percent as shown in Display 8 on page 18.

Complete current-year data for this year's report were obtained for 16 institutions, with estimated 1990-91 cost-of-living adjustments supplied for the remaining four. Furthermore, it should be noted that because the State University faculty will receive their final salary adjustment on January 1, 1991, the computed average annual by rank salaries displayed for 1990-91 is greater than the salaries actually earned by the faculty for this entire academic year. In reality the salaries for academic year 1990-91 are: professors, $59,811; associate professors, $47,854; assistant professors, $39,231; and instructors, $32,054.

Conversion factor

As with the University of California, one of the required calculations to derive an average salary figure for each comparison institution is a conversion from eleven-month to nine-month faculty, since all average salaries are based on nine-month contracts. In its annual report on the economic status of the profession, the AAUP uses a factor of 0.8182 -- a figure derived by dividing nine by eleven. In some cases, however, institutions use different conversion factors to build their budgets, and these are all specified by the AAUP in footnotes to its report and used to derive average salary figures. In many cases, especially in independent institutions, no published salary schedules or institutional conversion factors exist, since all faculty contracts are negotiated individually in terms of both length of annual service and compensation. In these cases, all conversions used to derive average salaries are artificial, and the AAUP simply applies the 0.8182 factor as a reasonable estimate.

In the State University, as shown in Display 9 on page 19, the actual relationship between eleven-month and nine-month faculty is about 0.87 percent, but for the purposes of the annual salary reports, and reporting to the AAUP, the 0.8182 figure continues to be used for the purposes of assuring analytical consistency with the comparison institutions.

DISPLAY 8 *California State University Faculty Salary Parity Calculations, 1991-92 (Comparison Institution Average Salaries, 1985-86 and 1990-91; Five-Year Compound Rates of Increase; Comparison Institution 1990-91 Projected Salaries; State University 1990-91 Average Salaries; 1991-92 Projected Percentage Salary Deficiency; 1990-91 Staffing Patterns)*

Academic Rank	Comparison Group Weighted by Total 1985-86	Average Salaries Faculty at Each Rank 1990-91	Five-Year Percentage Rate of Change	Comparison Group Projected Salaries 1991-92
Professor	$46,722	$62,041	5.835 %	$65,661
Associate Professor	35,042	46,004	5.594	48,578
Assistant Professor	28,867	38,333	5.836	40,570
Instructor	23,417	29,846	4.971	31,330

Academic Rank	State University Average Salaries 1990-91	Comparison Group Average Salaries 1990-91	Comparison Group Average Salaries 1991-92	Percentage Increase Required in CSU Salaries to Equal the Comparison Institution Average 1990-91	Percentage Increase Required in CSU Salaries to Equal the Comparison Institution Average 1991-92
Professor	$60,752	$62,041	$65,661	2.12 %	8.08 %
Associate Professor	48,611	46,004	48,578	-5.36	-0.07
Assistant Professor	39,853	38,333	40,570	-3.81	1.80
Instructor	32,562	29,846	31,330	-8.34	-3.78
All Ranks Averages					
Weighted by State University Staffing	$54,281	$54,255	$57,395	-0.05 %	5.74 %
Weighted by Comparison Institution Staffing	$50,340	$49,422	$52,262	-1.82 %	3.82 %
Mean All Ranks Average and Gross Percentage Amount	$52,310	$51,838	$54,828	-0.90 %	4.81 %
Adjustments					
Turnover and Promotions			-105		0.20 %
Merit Award Adjustment			-356		0.54 %
Net Parity Salary and Percent			$54,368		4.07 %

Institutional Staffing Patterns	Professor	Associate Professor	Assistant Professor	Instructor	Total
California State University	7,483	2,374	2,110	208	12,175
Comparison Institutions	4,387	4,322	3,240	238	12,187

Source: Office of the Chancellor, The California State University (reproduced in Appendix F).

DISPLAY 9 California State University 1990-91 Salary Schedule for Nine-Month and Eleven-Month Regular Faculty, with Percentage Differences (Effective January 1, 1991)*

Nine-Month Faculty by Rank	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
Professor	$50,532	$52,932	$55,488	$58,176	$60,960			
Associate Professor	39,984	41,904	43,896	45,996	48,192	$50,532	$52,932	$55,488
Assistant Professor	31,764	33,240	34,824	36,468	38,208	39,984	41,904	43,896
Instructor	29,064	30,348	31,764	33,240	34,824			

Eleven-Month Faculty by Rank	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
Professor	$58,176	$60,960	$63,948	$67,020	$70,272			
Associate Professor	45,996	48,192	50,532	52,932	55,488	$58,176	$60,960	$63,948
Assistant Professor	36,468	38,208	39,984	41,904	43,896	45,996	48,192	50,532
Instructor	33,240	34,824	36,468	38,208	39,984			

Percentage Difference by Rank	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Overall Average
Professor	86.86%	86.83%	86.77%	86.80%	86.75%	N/A	N/A	N/A	
Associate Professor	86.93	86.95	86.87	86.90	86.85	86.86%	86.83%	86.77%	
Assistant Professor	87.10	87.00	87.09	87.03	87.04	86.93	86.95	86.87	
Instructor	87.44	87.15	87.10	87.00	87.09	N/A	N/A	N/A	
Average	87.08%	86.98%	86.96%	86.93%	86.93%	86.90%	86.89%	86.82%	86.94%

*Add 10 percent to each step for business and engineering faculty.

Source: Office of the Chancellor, The California State University. (Incremental Salary Adjustment computed by the California Postsecondary Education Commission.)

Appendix A

Senate Concurrent Resolution No. 51, 1965 General Session,
Relative to Academic Salaries and Welfare Benefits

WHEREAS, The Joint Legislative Budget Committee pursuant to House Resolution No. 250, 1964 First Extraordinary Session, has had prepared and has adopted a report of the Legislative Analyst containing findings and recommendations as to salaries and the general economic welfare, including fringe benefits, of faculty members of the California institutions of higher education; and

WHEREAS, The study of the Joint Legislative Budget Committee found that the reporting of salaries and fringe benefits as it has been made previously to the Legislature has been fragmentary and has lacked necessary consistency, with the result that the Legislature's consideration of the salary requests of the institutions of higher learning has been made unnecessarily difficult; and

WHEREAS, The report recommends that the Legislature and the Governor should receive each December 1 a report from the Coordinating Council for Higher Education, plus such supplementary information as the University of California and the California State Colleges desire to furnish independently, containing comprehensive and consistently reported information as outlined specifically in the report adopted by the Joint Legislative Budget Committee; and

WHEREAS, The reporting recommended by the committee would include essential data on the size and composition of the faculty, the establishment of comprehensive bases for comparing and evaluating faculty salaries, the nature and cost of existing and desired fringe benefits, the nature and extent of total compensation to the faculty, special privileges and benefits, and a description and measurement of supplementary income, all of which affect the welfare of the faculties and involve implications to the state now, therefore, be it

Resolved by the Senate of the State of California, the Assembly thereof concurring, That the Coordinating Council for Higher Education in cooperation with the University of California and the California State Colleges shall submit annually to the Governor and the Legislature not later than December 1 a faculty salary and welfare benefits report containing the basic information recommended in the report of the Joint Legislative Budget Committee as filed with the President of the Senate and the Speaker of the Assembly, under date of March 22, 1965.

Appendix B

NOTE: The following material is readapted from Chapter Two, "The Revised Methodology," of the second edition of *Methods for Calculating Salary and Fringe Benefit Cost Comparisons, 1985-86 to 1994-95: A Revision of the Commission's 1977 Methodology for Preparing Its Annual Reports and Faculty and Administrative Salaries and Fringe Benefit Costs;* Commission Report 85-11; Second Edition February 1988 (Sacramento: California Postsecondary Education Commission, March 1985, pp. 7-16.

The following procedures will be employed by the California Postsecondary Education Commission to develop its annual report on faculty salaries and fringe benefits in California public higher education.

1. Number and timing of reports

One report will be prepared by the Commission each year. That report will contain current-year data from both the University of California's and the California State University's comparison institutions, such data to be submitted by the segments to the Commission, the Department of Finance, and the Legislative Analyst not later than December 5 each year. The segmental submissions are to include total nine- and eleven-month expenditures, and the number of faculty, at each rank specified in Section 4 of this document for each comparison institution. Comparison institutions should be identified only by letter code. Commission staff shall verify the accuracy of the segmental calculations and report the results of its analysis to the Department of Finance and the Office of the Legislative Analyst on December 5, or the first working day following December 5 if the latter falls on a weekend. The Commission shall submit a report on the subject to the Department of Finance and the Joint Legislative Budget Committee not later than February 15.

2. Principle of parity

The report will indicate needed percentage increases (or decreases) for the forthcoming fiscal year in salaries and fringe benefit costs for University of California and California State University faculty to achieve and maintain parity with comparison institution faculty at the ranks of professor, associate professor, assistant professor, and (at the State University only) instructor. Parity is defined as the mean of all salaries paid by the comparison institutions as a whole at each rank. A separate list of comparison institutions will be used by each of the four-year California segments of higher education.

3. Comparison institutions

University of California

Comparison institutions for the University of California, with independent institutions asterisked (*), will be the following:

Harvard University*
Massachusetts Institute of Technology*
Stanford University*
State University of New York at Buffalo
University of Illinois, Urbana
University of Michigan, Ann Arbor
University of Virginia
Yale University*

The California State University

Comparison institutions for the California State University will be the following for the years 1987-88 through 1996-97.

Northeast

Bucknell University[1]
Rutgers the State University of New Jersey, Newark[2]
State University of New York, Albany
Tufts University[1]
University of Bridgeport [1,2]

South

Georgia State University[2]
North Carolina State University
University of Maryland, Baltimore County
Virginia Polytechnic Institute and State University

North Central

Cleveland State University[2]
Loyola University, Chicago[1,2]
Mankato State University
Wayne State University[2]
University of Wisconsin, Milwaukee

West

Arizona State University[2]
Reed College[1]
University of Colorado, Denver
University of Nevada, Reno
University of Southern California[1,2]
University of Texas, Arlington

1. Independent institution.
2. Institution with law school.

Source: California Postsecondary Education Commission.

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4. Faculty to be included and excluded

The University of California

Faculty to be included in the comparisons are those at the ranks of professor, associate professor, and assistant professor (the University does not use the rank of instructor) employed on nine- and eleven-month (prorated) appointments, with the exception of faculty in law, the health sciences, summer sessions, extension programs, and laboratory schools, to the extent that these faculty are covered by salary scales or schedules other than those of the regular faculty. Faculty on the special salary schedules for engineering, computer science, and business administration will be included with the regular faculty.

Faculty members to be included are those assigned to instruction (regardless of their assignments for research and other University purposes), department chairmen (if not on an administrative salary schedule), and faculty on salaried sabbatical leave.

The number of University faculty will be reported on a full-time-equivalent basis.

The California State University

Faculty to be included in the comparisons are those with full-time appointments at the ranks of professor, associate professor, assistant professor, and instructor, employed on nine- and eleven-month (prorated) appointments, department chairmen, and faculty on salaried sabbatical or special leave. Faculty teaching seminar sessions or extension will be excluded.

Funds appropriated for "outstanding professor awards" will be included in the State University's mean salaries.

The number of State University and comparison institution faculty will be reported on a headcount basis.

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5. Computation of comparison institution mean salaries

As indicated below, the University and the State University use different methods to compute mean salaries in their respective groups of comparison institutions. The Commission will provide a detailed explanation of these differences in its annual report.

University of California

For the University's comparison group, the mean salary at each rank will be obtained for each comparison institution. The mean salary at each rank for the comparison group as a whole will then be calculated by adding the mean salaries at the eight comparison institutions and dividing by eight.

For the State University's comparison group, the total actual salary dollars paid at each rank for the group as a whole will be divided by the number of faculty within the rank at all 20 institutions to derive the mean salary for each rank.

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6. Five-year compound rate of salary growth

In order to compute the estimated salaries to be paid by the comparison institutions in the budget year, a five-year compound rate of change in salaries will be computed using actual salary data for the current year and the fifth preceding year.

Each segment will compute the mean salary, by rank, for their respective comparison groups as specified in Section 5 above. Each will then calculate the annual compound rate of growth at each rank between the current year and the fifth year preceding the current year. These rates of change will then be used to project mean salaries for that rank forward one year to the budget year.

In the event that neither current-year staffing nor mean salary data can be obtained from a comparison institution in a timely manner, the staffing pattern and salary expenditure data from the prior year will be used with the expenditures at each rank being incremented by 95 percent of the anticipated current-year salary increase. If current-year staffing data are available, but not current-year salary expenditure data, the staffing data will be used with the prior-year expenditures at each rank being incremented by 100 percent of the anticipated current-year salary increase.

When a comparison institution does not supply both its current-year staffing and salary expenditure data, and when that institution does not anticipate a general faculty salary increase in the current year, the prior-year staffing and expenditure data will be assumed to remain unchanged for the current year.

When current year staffing and salary expenditure data are available, but do not reflect the full extent of planned salary adjustments (e.g., reported data do not include a specified percentage to be granted after July 1 of a given fiscal year), the salary expenditures at each rank will be adjusted to reflect the full extent of the planned adjustment.

When complete staffing and expenditure data are available for neither the current nor prior years, the most recent year for which complete data are available will be used. In such a case, expenditures at each rank will be incremented by 95 percent of the anticipated salary expenditures increase for each year in which complete data are unavailable.

If the University of California or the California State University are unable to obtain complete current-year staffing and salary expenditure data from all of their respective comparison institutions by December 5 of any year, a supplemental report will be filed with the Commission, the Department of Finance, and the Office of the Legislative Analyst as soon as the data become available, but not later than April 1 of the subsequent calendar year, such update to include all additional data received since December 5. If the comparison institution data remain incomplete as of the April 1 date, a final report will be filed on June 30, or at such earlier time as the University or the State University are able to supply complete data.

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7. Fringe benefits

On June 30, 1989, and every fourth year thereafter, the University of California and the California State University shall submit reports on faculty fringe benefits for the preceding fiscal year, such reports to include the following information for their own system and for each comparison institution:

a. The mean employer and employee contribution for retirement programs; health insurance programs (including medical, dental, vision and any other medical coverage); Social Security; and life, unemployment, workers' compensation, and disability insurance;

b. The mean contribution needed to fund the "normal costs" of the retirement systems; and

c. Any further information available, in addition to the cost data, on actual benefits received.

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8. All-ranks average salaries

All-ranks mean salaries will be calculated for each segment in the current year, and the comparison institutions' mean salaries in the current and budget years, by using the following procedures.

University of California

Both the University's and its comparison institutions' mean salaries at each rank will be weighted by the University's projected budget-year staffing pattern. The all-ranks mean salaries produced thereby will be compared and percentage differentials computed for both the current and budget years. The percentage differential between the University's current year all-ranks mean salary and the comparison group's projected budget year all-ranks mean salary will constitute the percentage amount by which University salaries will have to be increased (or decreased) to achieve parity with the comparison group in the budget year.

The California State University

Both the State University's and its comparison institutions' current-year staffing patterns will be employed. The rank-by-rank mean salaries will be separately weighted by the respective staffing patterns for both the current and budget years so that two sets of all-ranks mean salaries will be derived. The two all-ranks mean salaries for the State University in the current year (the first weighted by the State University's staffing pattern and the second by the comparison group's staffing pattern) will be added together and divided by two to produce the overall mean. Similarly, the current and budget-year all-ranks mean salaries for the comparison institutions will be added and divided by two to produce overall means for both the current and budget years. The State University's current-year all-ranks mean salary will then be compared to the current and budget-year comparison institution all-ranks mean salary to produce both current and budget-year parity percentages. The percentage differential between the State University's current-year all-ranks mean salary and the comparison group's projected budget-year all-ranks mean salary will constitute the "Gross Percentage Amount" by which State University salaries will need to be increased or decreased to achieve parity with the comparison group in the budget year.

The comparison institutions must exclude salaries paid to law faculty when submitting their data.

The "Gross Percentage Amount" will be reduced by applying two adjustments:

- First, two-tenths of one percent (0.2 percent) will be deducted to account for the effect of turnover and promotions in the budget year.
- Second, an additional percentage amount, to account for the effect of unallocated merit salary awards, shall be deducted when applicable. The amount to be deducted shall be mutually agreed to by Commission staff and the Chancellor's Office of the State University.

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9. Administrative, medical, and community college salaries

Administrative salaries

In its annual faculty salary report, the Commission will report the salaries paid to selected central-office and campus-based administrators at the University and the State University. The Commission shall also include data on comparable campus-based positions from both the University's and the State University's respective comparison institutions. The University and State University will use the same group of comparison institutions as for their faculty surveys.

The campus-based administrative positions to be surveyed shall include those listed in Display 1.

In addition to these campus-based positions for which the national survey shall be conducted, the University and the State University shall also report the salaries paid to all central office personnel with the position titles listed in Display 2.

Medical faculty salaries

The Commission will include data on comparative salaries and compensation plans for the University of California and a select group of comparison institutions on a biennial basis commencing with the 1985-86 academic year. Comparison institutions to

DISPLAY 1 *Campus-Based Administrative Positions for Which Current-Year Salaries at the University of California, the California State University, and Their Respective Comparison Institutions Are to Be Reported in the Commission's Annual Administrators' Salary Survey*

University of California	The California State University
1. Chief Executive Officer/Single Institution	1. Chief Executive Officer/Single Institution
2. Chief Academic Officer	2. Chief Academic Officer
3. Chief Business Officer	3. Chief Business Officer
4. Director of Personnel/Human Resources	4. Director of Personnel/Human Resources
5. Chief Budget Officer	5. Chief Budget Officer
6. Director of Library Services	6. Director of Library Services
7. Director of Computer Services	7. Director of Computer Services
8. Director of Physical Plant	8. Director of Physical Plant
9. Director of Campus Security	9. Director of Campus Security
10. Director of Information Systems	10. Director of Information Systems
11. Director of Student Financial Aid	11. Director of Student Financial Aid
12. Director of Athletics	12. Director of Athletics
13. Dean of Agriculture	13. Dean of Agriculture
14. Dean of Arts and Sciences	14. Dean of Arts and Sciences
15. Dean of Business	15. Dean of Business
16. Dean of Education	16. Dean of Education
17. Dean of Engineering	17. Dean of Engineering
18. Dean of the Graduate Division	18. Dean of the Graduate Division

DISPLAY 2 *Central-Office Administrative Positions for Which Current-Year Salaries Are to Be Reported in the Commission's Annual Administrators' Salary Survey*

University of California	The California State University
1. President	1. Chancellor
2. Senior Vice President	2. Provost-Vice Chancellor or Executive Vice Chancellor
3. Vice President	3. Deputy Provost
4. Associate Vice President	4. Vice Chancellor
5. Assistant Vice President	5. Associate Vice Chancellor
6. General Counsel of the Regents	6. Assistant Vice Chancellor
7. Deputy General Counsel of the Regents	7. General Counsel
8. Treasurer of the Regents	8. Associate General Counsel
9. Associate Treasurer of the Regents	9. Director of Governmental Affairs
10. Secretary of the Regents	10. Auditor
11. Director of State Governmental Relations	
12. Auditor	

be surveyed will be Stanford University, the University of Chicago, the University of Illinois, the University of Michigan, the University of North Carolina, the University of Texas at Houston, the University of Wisconsin, and Yale University. Disciplines to be surveyed will be internal medicine, pediatrics, and surgery, which, taken together, will be considered representative of the medical profession as a whole.

Community college faculty salaries

In its annual report on faculty salaries, the Commission shall include such comments as it considers appropriate to satisfy the recommendation of the Legislative Analyst contained in the Analysis of the Budget Bill, 1979-80. Comments shall be directed to, but need not be limited by, the contents of the Annual Report on Staffing and Salaries of the Community Colleges' Chancellery.

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10. Supplementary information

Supplementary information shall be supplied annually by both the University of California and the California State University. The University of California shall continue to submit its "Annual Academic Personnel Statistical Report." The California State University shall submit a report to the Commission on faculty demographics, promotions and separations, origins and destinations, and related data. Both the University and the State University will submit their supplemental reports not later than April 1.

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11. Criteria for the selection of comparison institutions

University of California

The following four criteria will be used to select comparison institutions for the University:

1. Each institution should be an eminent major university offering a broad spectrum of undergraduate, graduate (Master's and Ph.D.), and professional instruction, and with a faculty responsible for research as well as teaching.
2. Each institution should be one with which the University is in significant and continuing competition in the recruitment and retention of faculty.
3. Each institution should be one from which it is possible to collect salary and benefit cost data on a timely, voluntary, and regular basis. (Not all institutions are willing to provide their salary and benefit cost data, especially in the detail required for comparison purposes.)
4. The comparison group should be composed of both public and private institutions.

   In selecting these institutions, stability over time in the composition of the comparison group is important to enable the development of faculty salary market perspective, time-series analysis, and the contacts necessary for gathering required data.

The California State University

The following five criteria will be used to select comparison institutions for the California State University.

1. *General comparability of institutions*: Comparison institutions should reflect the mission, functions, purposes, objectives, and institutional diversity of the California State University system. Faculty expectations at the comparison institutions, in terms of pay, benefits, workload, and professional responsibilities, should be relatively similar to those prevailing at the California State University. To those ends, State University comparison institutions should include those that offer a wide variety of programs at both the undergraduate and graduate levels but that grant very few if any doctoral degrees. Specifically, the 20 institutions that awarded the largest number of doctoral degrees during the ten-year period between 1973-74 and 1983-84 should be excluded. Although several of the comparison institutions may have professional law schools, salary data for law faculty must be omitted when data are provided. The list should include both large and small, and urban and rural institutions from each of the four major regions of the country (Northeast, North Central, South, and West). Approximately one-fourth to one-third of the institutions on the list should be

private or independent colleges and universities, and none of these institutions should be staffed predominantly with religious faculty.

2. *Economic comparability of institutional location:* The comparison group, taken as a whole, should reflect a general comparability in living costs and economic welfare to conditions prevailing in California. Consequently, institutions located in very high cost areas, such as New York City, or in severely economically depressed areas, should not be included on the list. In order to ensure a continuing economic comparability between California and those regions in which comparison institutions are located, the Commission will periodically review such economic indicators as it considers appropriate and include the results of its surveys in its annual report on faculty salaries and fringe benefit costs.
3. *Availability of data:* Each institution should be one from which it is possible to collect salary and benefit cost data on a timely, voluntary, and regular basis. (Not all institutions are willing to provide their salary and benefit cost data, especially in the detail required for comparison purposes.)
4. *University of California comparison institutions:* The California State University's comparison group should not include any institution used by the University of California for its comparison group.

Appendix C

House Resolution No. 250, 1964 First Extraordinary Session,
Relative to the Economic Welfare of the Faculties
of the California Public institutions of Higher Education

WHEREAS, The Master Plan for Public Higher Education strongly recommended that every effort be made to ensure that the institutions of higher education in California maintain or improve their position in the intense competition for the highest quality of faculty members; and

WHEREAS, The Coordinating Council for Higher Education in its annual report to the Governor and the Legislature regarding level of support for the California State Colleges and the University of California recommended that funds should be provided to permit at least an additional 5 percent increase in academic salaries for the California State Colleges and the University of California; and

WHEREAS, The Trustees of the California State Colleges in their annual report to the Legislature declared that the California State Colleges are falling far behind in the face of this competition and that by 1964-65 faculty salaries will be lagging 14 to 18 percent behind those of comparable institutions; and

WHEREAS, Greatly increasing enrollments in institutions of higher education in California during the next decade will cause a demand for qualified faculty members which cannot possibly be met unless such institutions have a recruitment climate which will compare favorably with other colleges, universities, and business institutions, industry, and other levels of government; and

WHEREAS, California has achieved an enviable momentum in business and industrial development, a momentum now threatened by lagging faculty salaries so that failure to maintain adequate salary scales for faculty members in California institutions of higher education would be false economy; and

WHEREAS, There have been widespread reports from the State College and University campuses that higher salaries elsewhere are attracting some of the best faculty members from the California institutions of higher education, and if such academic emigration gains momentum because of inadequate salaries, the effect will disrupt the educational processes and result in slower economic growth, followed by lower tax revenues; and

WHEREAS, The Legislature has a continuing interest in the difficult and pressing problems faced by the California institutions of higher education in attracting and maintaining outstanding faculty members in a period of stiff competition and rapid growth; and

WHEREAS, The State's investment in superior teaching talent has been reflected in California's phenomenal economic growth and has shown California taxpayers to be the wisest of public investors, but unless the superiority in faculty quality is maintained, the contributions by the California institutions of higher education to the continued

economic and cultural development of California may be seriously threatened; now, therefore, be it

Resolved by Assembly of the State of California, That the Assembly Committee on Rules is directed to request the Joint Legislative Budget Committee to study the subject of salaries and the general economic welfare, including fringe benefits, of faculty members of the California institutions of higher education, and ways and means of improving such salaries and benefits in order that such California institutions of higher education may be able to compete for the talent necessary to provide the highest quality of education, and to request such committee to report its findings and recommendations to the Legislature not later than the fifth legislative day of the 1965 Regular Session.

Appendix D

A RECOMMENDED METHOD FOR REPORTING TO THE LEGISLATURE ON FACULTY SALARIES AND OTHER BENEFITS AT THE UNIVERSITY OF CALIFORNIA AND THE CALIFORNIA STATE COLLEGES

(Pursuant to HR 250, 1964 First Extraordinary Session)

Prepared by the
Office of the Legislative Analyst
State of California

January 4, 1965

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INTRODUCTION

The purpose of this staff report is to recommend a method for reporting to the Legislature on salaries, fringe benefits and other special economic benefits for faculties of the University of California and the California State Colleges. This report has been prepared by the Joint Legislative Budget Committee in response to House Resolution 250 (1964 First Extraordinary Session, Appendix 1)[1] which resolved:

> "That the Assembly Committee on Rules is directed to request the Joint Legislative Budget Committee to study the subject of salaries and the general economic welfare, including fringe benefits, of faculty members of the California institutions of higher education, and ways and means of improving such salaries and benefits in order that such California institutions of higher education may be able to compete for the talent necessary to provide the highest quality of education, and to request such committee to report its findings and recommendations to the Legislature not later than the fifth legislative day of the 1965 Regular Session."

Staff of the Joint Legislative Budget Committee initiated its study by seeking information which would reflect the magnitude of California's long-range and immediate problems regarding the need to recruit and retain an adequate number of high quality faculty. While reviewing past reports presented to the Legislature as justification for salary increase recommendations by the Coordinating Council for Higher Education, the University of California and the California State Colleges, it became apparent that the first step in trying to improve faculty salaries and other benefits is to furnish the Legislature with comprehensive and consistent data which identify the nature and level of competitive benefits. The costs associated with recommendations, rated according to priority, should be included in proposals by the segments in order to aid the Legislature in determining how much to appropriate and the benefits which an appropriation will buy.

There has existed in the past a difference between what the institutions have recommended as the need for salary and benefit increases and what has finally been appropriated by the Legislature. There are two principal reasons for this difference which at times may be closely related: (1) The Legislature may disagree with what is proposed as to need, or (2) there may not be enough funds to meet the need because of higher priorities in other areas of the budget.

These needs are very complex and, for example, include such factors as:

1. Disagreement with conclusions drawn from data submitted in justification of recommendations;
2. Lack of confidence in the quantity, quality, or type of data;
3. The failure of advocates to make points which are concise and clearly understandable;
4. The submission of conflicting data by legislative staff or the Department of Finance.

After careful consideration, it was determined that a special report should be made to the Budget Committee containing recommendations as to the kind of data the Legislature should be furnished for the purpose of considering salary and other benefit increases.

On August 5, 1964 a letter (Appendix 2) was sent from the Legislative Analyst to the Coordinating Council for Higher Education, the University of California, the California State Colleges, the Department of Finance and various faculty organizations informing them that the Joint Legislative Budget Committee was planning to hold a public hearing in connection with HR 250 and asking for replies to a series of questions designed to gather background information about salary and fringe benefits data (Appendix 3. Copies of Replies Received). The primary purpose of the hearing was to provide the University of California, the California State Colleges and interested groups the opportunity to indicate the basis on which salary and fringe benefits should be reported to the Legislature, including the kind of data to be compiled and who should compile and publish it (Appendix 4. Copies of Prepared Testimony Filed with the Joint Legislative Budget Committee at the October 15, 1964 Hearing). The contents of most of the prepared statements discussed problems and in some instances recommendations relating to faculty salaries and other benefits rather than the primary purpose of the hearing, but the testimony did serve to identify areas of concern. The hearing also established legislative interest in the subjects of faculty workload and sources of supplementary income.

The review of past faculty salary reports, the replies to the Legislative Analyst's letter of August 5, 1964, the oral and prepared statements received at the October 15, 1964 hearing of the Joint Legislative Budget Committee and other sources have revealed significant findings and permitted the development of recommendations concerning the type of information and method of presentation that should be included in future faculty salary reports prepared for the Legislature.

BACKGROUND

Current procedures for review of faculty salary and other benefit increase proposals, starting with the presentation of recommendations by state colleges and University of California administrative officials to their respective governing boards, appear generally to be adequate, with minor reservations. The State College Trustees and the Regents of the University of California generally formulate their own proposals in December and forward them to the State Depart-

[1] Appendices deleted.

ment of Finance for budget consideration. Concurrently the Coordinating Council for Higher Education also makes a report with recommendations which is made available to the State Department of Finance. The Governor and the Department of Finance consider these salary increase proposals in relation to the availability of funds and their own analysis of faculty salary needs and decide how much of an increase, if any, to include in the Governor's Budget. The Legislative Analyst in the *Analysis of the Budget Bill* provides analysis and recommendations as to the Governor's budget proposal.

When appropriate legislative committees hear the budget request for faculty salary increases they may be confronted with several recommendations from various sources. Their first responsibility is to consider the Governor's recommendations in the Budget Bill. However, the University and the California State Colleges generally request the opportunity to present their own recommendations, which frequently differ from the Governor's proposal. Also, the Coordinating Council for Higher Education presents its recommendations. Various faculty organizations may desire to make independent proposals. The Legislature has been cooperative in providing all interested parties the opportunity to present their views, but these presentations have been marked by extreme variations in recommendations and in the data which support the requests.

WHO SHOULD PREPARE FACULTY SALARY REPORTS

There appears to be some difference of opinion concerning the purpose of faculty salary reports and recommendations prepared by the Coordinating Council for Higher Education. The University of California and the California State Colleges contend that they should make direct recommendations to the Governor and the Legislature and that Coordinating Council recommendations should be regarded as independent comments. Conversely, the Department of Finance and the Coordinating Council for Higher Education believe that salary reports and recommendations of the Coordinating Council should be the primary report submitted to the Department of Finance and the Governor to consider in preparing budget recommendations. The Department of Finance states that such a report should be regarded as similar in status to the annual salary report relating to civil service salaries prepared by the State Personnel Board for the Governor and the Legislature. It is our opinion that the Legislature should give specific and primary consideration to the recommendations in the Governor's Budget and to the annual faculty salary report of the Coordinating Council for Higher Education. However, any separate recommendations of the University of California and the California State Colleges should also be considered.

WHAT FACULTY SALARY REPORTS SHOULD CONTAIN

We do not believe that reporting required of the University, the California State Colleges, and the Coordinating Council for Higher Education should limit the right of these agencies to emphasize specific points in supporting their own recommendations. However, the Legislature should take steps to establish a consistent basis upon which it will receive comprehensive information about faculty salaries, other benefits, and related subjects from year to year. After careful consideration of the statistical and other grounds presented in support of salary and other benefit increase proposals in the past, we recommend that basic data be included in faculty salary reports to the Legislature in a consistent form in the following areas:

A. Faculty Data
B. Salary Data
C. Fringe Benefits
D. Total Compensation
E. Special Privileges and Benefits
F. Supplementary Income

Since it is necessary for staff of the executive and legislative branches of government to analyze recommendations prior to the commencement of a legislative session, all reports and recommendations should be completed by December 1 of each year.

A. Faculty Data

1. Findings

   a. Informative data about the size, composition, retention, and recruitment of California State College faculty has been presented to the Legislature from time to time, but usually it has been so selective that it lacks objectivity and has been inconsistent from year to year.

   b. Superior faculty performance has not been demonstrated as a reason to justify past requests for superior salaries.

2. Recommendations

   The following data should be compiled and presented annually on a consistent basis. Definitions of what constitutes faculty are left to the discretion of the University and the state colleges but should be clearly defined in any report. Additional data may be included in any given year to emphasize special problems, but such data should supplement not replace the basic information recommended below. Graphs should be used when practical, accompanied by supporting tables in an appendix. Recommended faculty data includes:

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a. The number of faculty, by rank and the increase over the previous five years to reflect institutional growth.

b. Current faculty composition expressed in meaningful terms, including but not limited to the percentage of the faculty who have PhD's.

c. Student-faculty ratios as a means of expressing performance.

d. Data relating to all new full-time faculty for the current academic year including the number hired, source of employment, their rank and highest degree held. Existing vacancies should also be noted. Pertinent historical trends in these data should be analyzed. We do not believe that subjective and incomplete data estimating reasons for turning down offers, such as has been presented in the past, serves any useful purpose.

e. Faculty turnover rates comparing the number of separations to total faculty according to the following suggested categories; death or retirement, to research or graduate work, intra-institutional transfers, other college or University teaching, business and government, other.

3. Comments

The first three recommendations above are designed to reflect faculty size, composition, rate of growth, and workload. The inclusion of consistent data from year to year will facilitate trend analysis as it relates to the institutions involved and, when possible, to comparable institutions. The purpose of including data on new faculty and faculty turnover is to provide a quantitative base for discussions of problems relating to faculty recruitment and retention. It may also be beneficial to include some basic statistics about the available supply of faculty to see what proportion of the market, new PhD's for example, California institutions hire every year.

B. Salary Data

1. Findings

a. The University for several years has exchanged salary data to provide a consistent comparison with a special group of five "eminent" universities, as well as with a group of nine public universities. Conversely, the California State Colleges have not yet established a list of comparable institutions which is acceptable to them.

b. Both the University of California and the Coordinating Council for Higher Education maintain that salary comparisons to appropriate institutions is the best single method of determining salary needs.

c. The University of California places less significance on salary comparisons with non-academic employment than the Coordinating Council on Higher Education and the California State Colleges.

d. Salary increases have been proposed on the basis of differentials between total compensation (salaries plus fringe benefits) in comparable institutions.

e. Both the University and the California State Colleges have tended to relate the size of proposed salary increases to how much of an increase would be necessary to return to a specific competitive position which existed in 1957-58 and which was unusually advantageous.

f. Salary comparisons have frequently been made to various levels of teaching including elementary, high school, and junior college salaries.

g. Methods of salary comparisons with other institutions have varied from year to year in reports prepared by the state colleges.

2. Recommendations

a. We recommend that proposed faculty salary increases distinguish between: (1) increases necessary to maintain the current competitive position and (2) increases to improve the current competitive position.

(1) Proposed increases to maintain the existing competitive position should be equivalent to a projection of the average salary relationship between the University, or state colleges, and comparable institutions during the current fiscal year to the next fiscal year. We recommend that this projection be based on a projection of actual salary increases by rank in comparable institutions during the past five years, permitting statistical adjustments for unusual circumstances. Thus the proposed increase to maintain the existing competitive position would, in effect, be equal to the average of annual salary increases in comparable institutions during the past five years. A record of the accuracy of projections should be maintained in an appendix.

(2) Recommendations to improve the current competitive positions should be related to the additional advantages to be derived.

b. It is also recommended that the California State College Trustees select a list of com-

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parable institutions within the next year and that agreements be negotiated to exchange salary data in a form which will facilitate comparisons. A list of the criteria used to select comparable institutions, plus characteristics of the institutions selected, should be included in next year's report.

c. Specific proposals for salary increases should be accompanied by comparisons of current salary amounts and historic trends to comparable institutions. The following general principles are considered to be important:

(1) Salary data should be separated from fringe benefit and special benefit data for purposes of reporting salary comparisons.

(2) A consistent form should be used from year to year to present salary data. A suggested form might be to illustrate a five-year historic trend in average salaries by using a line graph for each rank. An alternative might be a table which simply shows where California ranked among comparable institutions during the past five years.

The current salary position might best be illustrated by showing a list of average salaries of the California institutions and the other comparable institutions from the highest to the lowest average, by rank, for the last actual and current years. This will show the relative position of the California institution for the last actual and current years, as well as the range of averages. Frequency distributions of faculty by rank or professor should be incorporated in an appendix and any significant limitations in the use of averages between those particular institutions in a given year should be noted. For example, an unusual proportion of faculty in the high ranks or the low ranks would affect the comparability of the arithmetic means.

(3) Special data to illustrate a particular problem in any given year would be appropriate as long as it supplements, rather than replaces, basic salary data.

d. Finally, it is recommended that salary data be reported in a form by rank which compensates for differences in faculty distributions.

Fringe Benefits

1. Findings

a. The definition of fringe benefits generally includes benefits available to all faculty that have a dollar cost to the employer. Benefits and services in kind are considered to be fringe benefits only if a cash payment option is available. Retirement and health insurance, by definition, are the only two programs considered as fringe benefits by the University of California and the California State Colleges.

b. Comparisons of fringe benefits, when comparisons have been made at all, have generally been limited to the dollar contribution by the employer and have not included any analysis of the quality of the benefits to the employee.

2. Recommendations

a. It is recommended that fringe benefit comparisons of type of benefit be included in faculty salary reports, but compared separately from salaries. Such comparisons should include an analysis of the quality of the benefits as well as the dollar cost to the employer.

b. Proposals to increase specific fringe benefits should be made separately from salaries, including separate cost estimates.

3. Comments

Separate proposals for increases in salaries and fringe benefits should be made to minimize misunderstanding about competitive positions. For example, information submitted to the 1963 Legislature by the University of California, in support of a proposed salary increase for 1963–64, compared total compensation data (salaries plus fringe benefits) rather than salaries alone. This report stated in part: "In comparing salaries, fringe benefits must be taken into account. Salary comparisons between the University and other institutions based on salary *alone* look far more favorable than comparisons of salaries *plus benefits*." The least favorable comparison was with fringe benefits, not salaries, thus the report recommended a salary increase largely on the basis of a difference in fringe benefits. Although it is felt that comparisons of total compensation are appropriate inclusions in a faculty salary report, such data should only be in addition to rather than in place of separate analyses of the current competitive position in salaries and fringe benefits.

D. Total Compensation

1. Findings

a. Total compensation data consists of average salaries plus a dollar amount representing the employer's cost of fringe benefits.

b. The Coordinating Council for Higher Education, the University of California and the California State Colleges have in the past all

used total compensation data prepared and published by the American Association of University Professors in their respective faculty salary reports.

2. Recommendations

We recommend that total compensation data, as reported by the American Association of University Professors, be included in faculty salary reports as a supplement to separate salary and fringe benefit information.

E. Special Privileges and Benefits

1. Findings

There are other faculty privileges and economic benefits which are not classified as fringe benefits because they may not be available to all faculty or fit the definition of a fringe benefit in some other respect. Examples at the University of California include up to one-half the cost of moving expenses, vacations for 11-month appointees, the waiving of nonresident tuition for faculty children, sabbatical leaves with pay, and other special and sick leaves with or without pay.

2. Recommendations

It is recommended that a list of special privileges and benefits be defined and summaries of related policies be included in a special section in future faculty salary reports so that the Legislature will be aware of what these privileges and benefits include.

3. Comments

The expansion or establishment of some of these special privileges and benefits could improve recruiting success more than the expenditure of comparable amounts in salaries. For example, moving expenses are not currently offered by the state colleges but some allowance might make the difference of whether a young candidate from the East could accept an appointment. If this type of benefit is proposed, it must include adequate controls.

F. Supplementary Income

1. Findings

a. The multiple loyalties created by permitting faculty to supplement their salaries by earning extra income from various sources within and outside his college or University is recognized as a problem common to institutions of higher education throughout the United States.

b. There apparently are proportionately more private consulting opportunities in California than in other areas of the nation. For example, 51 percent of the federal research defense contracts were concentrated in California during 1963–64.

c. The University of California has general policies designed to insure that outside activities do not interfere with University responsibilities. If outside activities interfere with University responsibilities, the faculty member generally must take a leave of absence without pay until such outside activities are completed. These and other related University policies were praised in a 1956 Carnegie-financed study titled *University Faculty Compensation Policies and Practices*.

d. The Coordinating Council for Higher Education submitted excerpts from nationwide studies relating to the magnitude of outside activities. We have no way of determining how the data may relate to California, but if the figures are reasonable, then it appears that probably a large percentage of faculty have at least one source of extra income. Sources of income were reported are follows:

Source	*Percent of faculty earning additional income from source*
Lecturing	31%
General writing	28
Summer and extension teaching	22
Government consulting	15
Textbook writing	18
Private consulting	12
Public service and foundation consulting	9
Other professional activities	12

Source: University Faculty Compensation Policies and Practices in the U. S., Association of American Universities, University of Illinois Press, Urbana, 1964.

e. The United State Office of Education has just completed a nationwide sample survey of outside earnings of college faculty for 1961–62. Although data has not been published yet, special permission has been received to report the following results which are quoted from a letter sent to the Legislative Analyst on December 3, 1964 from the staff of the California State College Trustees:

OUTSIDE EARNINGS OF TEACHING FACULTY ON ACADEMIC YEAR CONTRACTS (9–10 MONTHS)

The U. S. Office of Education has just completed a nationwide survey of outside earnings by a sampling of all college faculty nationwide for 1961–62. The results are as follows:

	Percent	Average earnings
All with outside earnings	74	$2,200
Summer teaching	44	1,300
Other summer employment	11	1,300
Other teaching	13	900
Royalties	5	1,200
Speeches	9	200
Consultant fees	15	1,400
Retirement (individuals who have retired who teach elsewhere after retiring)	1	3,400
Research	7	1,900
Other professional earnings	10	1,200
Non-professional earnings	5	1,700

The highest average earnings by teaching field and the percentage with outside earnings are:

	Percent	Average earnings
Law (which we do not have)	78	$5,200
Engineering	82	3,200
Business and Commerce	73	2,900
Physical Sciences	80	2,000
Agriculture	71	1,900
Psychology	85	2,700

In light of the Joint Committee discussion you might be interested in the following:

	Percent	Average earnings
Social Sciences	74	$1,900
Fine Arts	74	1,800
Philosophy	74	1,200
Religion and Theology	75	1,200

2. Recommendations

a. We recommend that the Coordinating Council for Higher Education, the University of California and the California State Colleges cooperate in determining the extent to which faculty members participate in extra activities to supplement their nine-month salaries including information as to when extra activities are usually performed (such as vacations, etc.). Such activities would include, but not be limited to, lecturing, general writing, summer and extension teaching, government consulting, textbook writing, private consulting, public service and foundation consulting, and other professional activities. If such a study suggests that the magnitude of these activities is such that the performance of normal University and state college responsibilities are perhaps being adversely affected, then consideration should be given to the possibility of maintaining more complete and meaningful records. Such records would aid administrative officials and academic senates when reviewing recommendations for promotions and salary increases and provide summary data for reporting to the Legislature on these significant faculty welfare items. Next year's faculty salary report of the Coordinating Council for Higher Education should incorporate the results of this study.

b. We also recommend that existing state college policies and enforcement practices regarding extra employment be reviewed and updated.

c. Finally, it is recommended that faculty salary reports keep the Legislature informed about policies and practices relating to extra employment.

3. Comments

In our opinion, it would seem that any extra employment would affect the quality of performance of University responsibilities since faculty surveys indicate that the average faculty workweek is 54 hours. The time spent on activities for extra compensation (except during the summer) would be on top of what the faculty has defined as their average workweek. Because, in some instances, it is difficult to determine whether a given income-producing activity, such as writing a book, is considered a normal University responsibility or an extra activity, distinctions between normal and extra activities need to be more clearly defined.

Much of the outside compensation received by faculty comes in the form of grants made directly to the faculty member rather than through the University or colleges. There is no regular reporting of these grants or the personal compensation which they provide to faculty, and the colleges and University do not consider the reporting of such income to be feasible. It may be desirable to encourage the Congress to direct that greater number of grants made by United States agencies for research be made directly to academic institutions.

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CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

THE California Postsecondary Education Commission is a citizen board established in 1974 by the Legislature and Governor to coordinate the efforts of California's colleges and universities and to provide independent, non-partisan policy analysis and recommendations to the Governor and Legislature.

Members of the Commission

The Commission consists of 15 members. Nine represent the general public, with three each appointed for six-year terms by the Governor, the Senate Rules Committee, and the Speaker of the Assembly. The other six represent the major segments of postsecondary education in California.

As of March 1991, the Commissioners representing the general public were:

Lowell J. Paige, El Macero; *Chair;*
Henry Der, San Francisco; *Vice Chair;*
Mim Andelson, Los Angeles;
C. Thomas Dean, Long Beach;
Rosalind K. Goddard, Los Angeles;
Helen Z. Hansen, Long Beach;
Mari-Luci Jaramillo, Emeryville;
Dale F. Shimasaki, San Francisco
Stephen P. Teale, M.D., Modesto.

Representatives of the segments were:

Joseph D. Carrabino, Orange; appointed by the California State Board of Education;

James B. Jamieson, San Luis Obispo; appointed by the Governor from nominees proposed by California's independent colleges and universities

Meredith J. Khachigian, San Clemente; appointed by the Regents of the University of California;

John F. Parkhurst, Folsom; appointed by the Board of Governors of the California Community Colleges;

Theodore J. Saenger, San Francisco; appointed by the Trustees of the California State University; and

Harry Wugalter, Thousand Oaks; appointed by the Council for Private Postsecondary and Vocational Education.

Functions of the Commission

The Commission is charged by the Legislature and Governor to "assure the effective utilization of public postsecondary education resources, thereby eliminating waste and unnecessary duplication, and to promote diversity, innovation, and responsiveness to student and societal needs."

To this end, the Commission conducts independent reviews of matters affecting the 2,600 institutions of postsecondary education in California, including community colleges, four-year colleges, universities, and professional and occupational schools.

As an advisory planning and coordinating body, the Commission does not administer or govern any institutions, nor does it approve, authorize, or accredit any of them. Instead, it cooperates with other State agencies and non-governmental groups that perform these functions, while operating as an independent board with its own staff and its own specific duties of evaluation, coordination, and planning,

Operation of the Commission

The Commission holds regular meetings throughout the year at which it debates and takes action on staff studies and takes positions on proposed legislation affecting education beyond the high school in California. By law, its meetings are open to the public. Requests to speak at a meeting may be made by writing the Commission in advance or by submitting a request before the start of the meeting.

The Commission's day-to-day work is carried out by its staff in Sacramento, under the guidance of its executive director, Kenneth B. O'Brien, who is appointed by the Commission.

The Commission publishes and distributes without charge some 30 to 40 reports each year on major issues confronting California postsecondary education. Recent reports are listed on the back cover.

Further information about the Commission, its meetings, its staff, and its publications may be obtained from the Commission offices at 1020 Twelfth Street, Third Floor, Sacramento, CA 98514-3985; telephone (916) 445-7933.

FACULTY SALARIES IN CALIFORNIA'S PUBLIC UNIVERSITIES, 1991-92

California Postsecondary Education Commission Report 91-10

ONE of a series of reports published by the Commission as part of its planning and coordinating responsibilities. Additional copies may be obtained without charge from the Publications Office, California Postsecondary Education Commission, Third Floor, 1020 Twelfth Street, Sacramento, California 95814-3985.

Recent reports of the Commission include:

90-22 Second Progress Report on the Effectiveness of Intersegmental Student Preparation Programs: The Second of Three Reports to the Legislature in Response to Item 6420-0011-001 of the 1988-89 Budget Act (October 1990)

90-23 Student Profiles, 1990: The First in a Series of Annual Factbooks About Student Participation in California Higher Education (October 1990)

90-24 Fiscal Profiles, 1990: The First in a Series of Factbooks About the Financing of California Higher Education (October 1990)

90-25 Public Testimony Regarding Preliminary Draft Regulations to Implement the Private Postsecondary and Vocational Education Reform Act of 1989: A Report in Response to Assembly Bill 1993 (Chapter 1324, Statutes of 1989) (October 1990)

90-26 Legislation Affecting Higher Education During the Second Year of the 1989-90 Session: A Staff Report of the California Postsecondary Education Commission (October 1990)

90-27 Legislative Priorities of the Commission, 1991: A Report of the California Postsecondary Education Commission (December 1990)

90-28 State Budget Priorities of the Commission, 1991: A Report of the California Postsecondary Education Commission (December 1990)

90-29 Shortening Time to the Doctoral Degree: A Report to the Legislature and the University of California in Response to Senate Concurrent Resolution 66 (Resolution Chapter 174, Statutes of 1989) (December 1990)

90-30 Transfer and Articulation in the 1990s: California in the Larger Picture (December 1990)

90-31 Preliminary Draft Regulations for Chapter 3 of Part 59 of the Education Code, Prepared by the California Postsecondary Education Commission for Consideration by the Council for Private Postsecondary and Vocational Education. (December 1990)

90-32 Statement of Reasons for Preliminary Draft Regulations for Chapter 3 of Part 59 of the Education Code, Prepared by the California Postsecondary Education Commission for the Council for Private Postsecondary and Vocational Education. (December 1990)

91-1 Library Space Standards at the California State University: A Report to the Legislature in Response to Supplemental Language to the 1990-91 State Budget (January 1991)

91-2 Progress on the Commission's Study of the California State University's Administration: A Report to the Governor and Legislature in Response to Supplemental Report Language of the 1990 Budget Act (January 1991)

91-3 Analysis of the 1991-92 Governor's Budget: A Staff Report to the California Postsecondary Education Commission (March 1991)

91-4 Composition of the Staff in California's Public Colleges and Universities from 1977 to 1989: The Sixth in the Commission's Series of Biennial Reports on Equal Employment Opportunity in California's Public Colleges and Universities (April 1991)

91-5 Status Report on Human Corps Activities, 1991: The Fourth in a Series of Five Annual Reports to the Legislature in Response to Assembly Bill 1829 (Chapter 1245, Statutes of 1987) (April 1991)

91-6 The State's Reliance on Non-Governmental Accreditation, Part Two: A Report to the Legislature in Response to Assembly Bill 1993 (Chapter 1324, Statutes of 1989) (April 1991)

91-7 State Policy on Technology for Distance Learning: Recommendations to the Legislature and the Governor in Response to Senate Bill 1202 (Chapter 1038, Statutes of 1989) (April 1991)

91-8 The Educational Equity Plan of the California Maritime Academy: A Report to the Legislature in Response to Language in the Supplemental Report of the 1990-91 Budget Act (April 1991)

91-9 The California Maritime Academy and the California State University: A Report to the Legislature and the Department of Finance in Response to Supplemental Report Language of the 1990 Budget Act (April 1991)

91-10 Faculty Salaries in California's Public Universities, 1991-92: A Report to the Legislature and Governor in Response to Senate Concurrent Resolution No. 51 (1965) (April 1991)